

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI  
SOUTHERN DIVISION

RSUI INDEMNITY COMPANY  
PLAINTIFF/  
COUNTER-DEFENDANT

VERSUS

CIVIL ACTION

NEW PALACE CASINO, LLC  
DEFENDANT/  
COUNTER-PLAINTIFF

NO. 1:07cv893-LG-JMR

Deposition of PAUL F. AMORUSO, CPCU, taken  
at New Palace Casino, 231 5th Street, Biloxi,  
Mississippi 39530, on Monday, June 15, 2009, at  
10:00 a.m.

By: Ashlee B. Ancalade  
Registered Professional Reporter

**Exhibit 2**

## A P P E A R A N C E S

Representing New Palace Casino, LLC:

Zachary & Leggett, PLLC

BY: PATRICK H. ZACHARY, ESQ.

121 South 29th Avenue

Suite 100

Hattiesburg, Mississippi 39402

601.264.0311

Representing RSUI Indemnity Company:

Galloway, Johnson, Tompkins, Burr & Smith

BY: FREDERICK W. SWAIM, III, ESQ.

701 Poydras Street

Suite 4040

New Orleans, Louisiana 70139

504.525.6802

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S T I P U L A T I O N

It is stipulated and agreed by and among Counsel that the deposition of the aforementioned witness is hereby being taken under the Federal Rules of Civil Procedure for all purposes in accordance with the Rules.

That the formalities of reading and signing are hereby not waived. The formalities of sealing and certification and filing are hereby waived. The party responsible for service of the discovery material shall retain the original.

All objections are to be made in accordance with the Rule of Civil Procedure.

\* \* \* \* \*

Ashlee B. Ancalade, Registered Professional Reporter, in and for the State of Louisiana, officiated in administering the oath to the witness.

1                   PAUL F. AMORUSO, CPCU  
2                   8 Old Mattapoisett Neck Road,  
3 Mattapoisett, Massachusetts, 02739, after having  
4 been first duly sworn, was examined and did  
5 testify as follows:

6                   E X A M I N A T I O N

7 BY MR. SWAIM:

8           Q     My name is Fred Swaim. I represent  
9 RSUI Indemnity Company in connection with this  
10 claim. Could you please state your full name  
11 for the record?

12           A     It's Paul F. Amoruso, A-M-O-R-U-S-O.

13           Q     What is your residential address?

14           A     8 Old Mattapoisett Neck Road,  
15 Mattapoisett, Massachusetts.

16           Q     Is that also your business address?

17           A     My business address is 34 Barstow  
18 Street, Mattapoisett, Massachusetts. I have  
19 an office at my home and also on Barstow  
20 Street.

21           Q     Okay. Have you given a prior  
22 deposition before?

23           A     Yes.

24           Q     So I'm assuming that you are  
25 familiar with the ground rules, but I will

1 just lay out a few things just to be clear.  
2 Essentially, this is just a Q-and-A session.  
3 I am going to ask you questions. All I expect  
4 from you is that you answer honestly and  
5 verbally for the sake of the court reporter.

6 If for any reason you need a break  
7 or anything like that, just let me know. It's  
8 absolutely no problem. Do you have any  
9 questions for me?

10 A No.

11 Q Mr. Amoruso, what did you review in  
12 connection with today's deposition, in  
13 preparation for today's deposition?

14 A I reviewed all of the files,  
15 material that's stated in my report. Plus  
16 what counsel is going to read now, the  
17 additional material.

18 MR. SWAIM:

19 Okay.

20 MR. ZACHARY:

21 Billy, as we discussed before we  
22 went on the record. The amended answer to the  
23 counterclaim that was filed by RSUI.

24 MR. SWAIM:

25 Uh-huh (positive response).

1 MR. ZACHARY:

2 I had provided that to Paul after  
3 his report was rendered, a complete copy of  
4 the claims file, which probably most of it was  
5 reviewed by him already, but it had not been  
6 identified as such until I think Koski's  
7 deposition or maybe after Jeff Ciaramella's.  
8 But I've also sent him depo transcripts of  
9 Jeff Ciaramella's depo, Mike Koski's depo,  
10 Keith Blackwell's depo, Woody Allen and Amir  
11 Tavakoli from Austin Company. The Yates  
12 estimates and repairs.

13 MR. SWAIM:

14 I'm sorry, Pat, could I get the  
15 depositions again?

16 MR. ZACHARY:

17 Yeah. It's Ciaramella, Koski  
18 (assumed spelling), Blackwell, Woody Allen,  
19 Amir Tavakoli from Austin Company.

20 That Yates estimate repair sheet  
21 that we sent to previous counsel back in  
22 October of '07. The Wood's Special Risk  
23 Broker underwriter underwriting file that was  
24 produced pursuant to subpoena to you-all.

25 MR. SWAIM:

1 Uh-huh (positive response).

2 MR. ZACHARY:

3 A copy of an e-mail. I know he  
4 identified several e-mails, but he didn't have  
5 an e-mail from Mike Koski to George Conwill,  
6 C-O-N-W-I-L-L, dated June 21, '07, and Terry  
7 Moran, I'm sorry.

8 MR. SWAIM:

9 Depo transcript?

10 MR. ZACHARY:

11 Yeah. I should have added him.

12 MR. SWAIM:

13 Okay. Anything else?

14 MR. ZACHARY:

15 Not that I have purposefully  
16 omitted.

17 BY MR. SWAIM:

18 Q I am going to ask you a couple of  
19 questions in a little while about those  
20 documents. But in connection with today's  
21 deposition, you basically went through and  
22 just reviewed your entire file?

23 A Yes, sir.

24 Q Did you have any meetings or  
25 conversations with anyone other than counsel?

1           A     I met with George Conwill this  
2 morning.

3           Q     Okay. What did you-all discuss?

4           A     We talked about what happened to him  
5 from just before the storm until probably  
6 around December, January '06. General  
7 conversation as to what -- what happened with  
8 him, how he met people, what he did, what his  
9 impressions and interpretations were.

10          Q     Did anything that you discussed with  
11 Mr. Conwill this morning affect your opinions  
12 in any way in connection with your report?

13          A     No, sir.

14          Q     Okay. Now, do you have an updated  
15 C.V. with you, Mr. Amoruso?

16          A     I do. It's the same one -- well,  
17 let's see if it's the same one.

18          Q     Let's see.

19          A     If it's got the Barstow Street  
20 address on it, it's possibly the last one.  
21 That's about a year old.

22          Q     Okay. Yeah. This one has that  
23 address as well. Okay. And this is a current  
24 copy of your curriculum vitae?

25          A     Yes, sir.



1 MR. SWAIM:

2 I would like to attach that as  
3 Exhibit 1 assuming there are no objections.

4 MR. ZACHARY:

5 No. And that does have the spelling  
6 of the Mattapoisett, Massachusetts, for the  
7 court reporter's benefit. I saw her cringe.

8 (Exhibit No. 1 is marked.)

9 BY MR. SWAIM:

10 Q Mr. Amoruso, could you give me a  
11 narrative of your educational background?

12 A I graduated from Providence college  
13 in 1969. That's my last schooling, really, so  
14 to speak.

15 Q What was your degree in?

16 A Social studies, liberal arts.  
17 Everything else becomes insurance specific  
18 after that.

19 Q Okay.

20 A In courses that I designed and/or  
21 created. Do you want me to go through that?

22 Q Please.

23 A I started working for Liberty Mutual  
24 in -- well, I went in the Army after I  
25 graduated from college.

1 Q Okay. What division?

2 A Engineers.

3 Q What did you do in the Army?

4 A I was combat engineer. I think I  
5 was 30(b)(6) -- no. 10B40, I think, they  
6 called it, combat engineer.

7 Q But you had no prior engineering  
8 background?

9 A No. The Army is glad to teach you  
10 all you need to know.

11 Q That's specific to weapons?

12 A Building roads and shooting things  
13 down and blowing things up.

14 Q Okay. It's not about design of  
15 buildings --

16 A No.

17 Q -- forensic work regarding  
18 causation?

19 A No. Other than building outhouses.

20 Q How long were you in the military  
21 for?

22 A I stayed in ten years. I was in  
23 active duty six months, but I chose to stay in  
24 until -- for another nine years and six  
25 months.

1 Q So roughly from '69 to '79?

2 A Yes.

3 Q Okay. Why don't we just combine any  
4 remaining educational background with the  
5 employment background as well. Because that's  
6 going to be my next question to you. So let's  
7 just try and get a timeline. So '69 to '79 --  
8 you graduated in '69, to '79 you were in the  
9 military?

10 A I was in the military part time. I  
11 was in the reserve.

12 Q Okay.

13 A I started working for Liberty  
14 Mutual -- can I have my C.V.? I need to  
15 follow that.

16 Q Sure.

17 A Wait a minute. You have to go  
18 backwards on this. I started working for  
19 Liberty Mutual. I was hired in December of  
20 '69. And I was assigned as an all line  
21 casualty claims adjuster in Fitchburg,  
22 Massachusetts. I stayed there for about five  
23 months. I got transferred to Bridgeport,  
24 Connecticut, as an all line claims adjuster.

25 Q When you say "all lines," what do

1     you mean?

2           A     You handle every part of the  
3     casualty business that Liberty wrote --  
4     property, automobiles, workers' comp. And  
5     whatever claim came in your territory, you  
6     got.

7           Q     So it includes first-party property  
8     claims?

9           A     First-party property claims.

10          Q     Okay. So you transferred after  
11     about five months to Connecticut?

12          A     To Connecticut. And I became the  
13     property specialist in Connecticut.

14          Q     What does that mean?

15          A     That means I handled all of the  
16     property losses for Southeast Connecticut for  
17     Liberty Mutual. Any commercial loss and any  
18     residential loss over \$5,000.

19                 I stayed on that project -- I went  
20     to Vale Tech and was trained there as a  
21     property adjuster back in '71, '72, in that  
22     realm.

23          Q     And how were you trained?

24          A     I was trained to write building  
25     estimates, compute damages, understand

1 damages. There was a six-week course.

2 Q So it's the front end and the back  
3 end?

4 A Front end and the back end of a  
5 property loss adjustment to creating the  
6 appraisal to issuing the check.

7 Q Okay.

8 A They needed a -- what they called a  
9 trial person at the same time, so I took on a  
10 dual role. I was still their property man  
11 handling just commercial losses, but I became  
12 a trial adjuster. I believe that was '74.

13 Q What does a trial adjuster do?

14 A Trial adjuster was in charge of  
15 prepping trials and following trials for their  
16 results, attempting to compromise them, if  
17 necessary, settle them, or take the verdict  
18 and do what you needed to do if you won or  
19 lost.

20 Q You would have input into the legal  
21 strategy; is that correct?

22 A Attorneys don't run claims  
23 departments. We make the judgments. I was  
24 the one who gave the attorneys money if I  
25 wanted to settle it. I was the one who said

1 we can pay it or deny it. If we wanted to  
2 deny it, we went from that point forward.

3 Q So is it fair to say that your  
4 duties remained the same with the exception of  
5 the claims that you began to handle were more  
6 closely related to litigation?

7 A To litigation, yeah. I still had to  
8 handle large property claims at the same time.  
9 I had to make time for both.

10 Q Okay. Did you ever give any  
11 opinions or advice on how the attorney should  
12 handle the case?

13 A Again, the attorneys did what I  
14 instructed them to do. If we wanted to  
15 settle, we settled. If we didn't, we prepared  
16 the defense based on what we had and went  
17 forward.

18 Q But what I'm saying is, you would  
19 contribute to preparing a defense in some way?

20 A Yes, sir.

21 Q Okay. In what way would you  
22 participate in that aspect?

23 A By giving them my opinion to decide  
24 what I wanted to do and what I didn't want to  
25 do.

1           Q     Okay. Did you become involved in  
2     the actual -- in the legal concepts and the  
3     actual trial prep stuff? Or was it just  
4     recommendations as far as numbers and this and  
5     that?

6           A     I was the trial prep person to find  
7     the witnesses, make sure they understood their  
8     role, get them there to court, met with them  
9     with the attorney for trial preparation, or  
10    prepped them myself, and follow what their  
11    testimony was to be expected. If it wasn't to  
12    be expected, we had to make a change because  
13    it wasn't what we thought it was going to be.

14          Q     Were you ever involved in  
15    researching any type of laws or jurisprudence  
16    in connection with any of those --

17          A     I was not a lawyer. I didn't follow  
18    the law. I left that to the attorneys to make  
19    their recommendation as to what the law was to  
20    us.

21          Q     Have you provided any advice in  
22    connection with this matter as far as the  
23    litigation status?

24          A     As far as the litigation?

25          Q     Yeah.

1           A     When you are talking about  
2     litigation, I will answer saying that I'm not  
3     a lawyer. I offer opinions as what I call an  
4     OCG, an old claims guy.

5           Q     Okay.

6           A     I give them the person that makes  
7     the decision. I eventually rose -- and we'll  
8     get to that in a while -- to the level of  
9     senior vice president of claims. And I was  
10    the final authority giver when people would  
11    come to me. The lawyers would come to me.  
12    The adjusters would come to me. Someone would  
13    come to me for money or a position. I would  
14    say yes or no. I could agree with it or I  
15    didn't have to agree with it. I could do what  
16    I wanted.

17                     In the insurance world, that's who  
18    makes the real decision, the person who  
19    controls the purse strings.

20           Q     So what about like if your guys were  
21    preparing to depose someone? Would you meet  
22    with the attorney or something and go over  
23    some possible questions that you wanted  
24    answered that you thought were pertinent?

25           A     Depending on the level I was at, I



1 would make sure I got the answers to the  
2 questions that I wanted to see.

3 Q Okay.

4 A If they didn't have them -- if I  
5 knew them already, I didn't have anything.

6 Q Have you done that in this case  
7 beyond your report, provided Mr. Zachary with  
8 any advice or recommendations as far as  
9 questions and depositions or for possible  
10 strategies or anything like that?

11 A I have done no depo prep during the  
12 course of this litigation.

13 Q Okay. Where did we leave off?

14 A I have to think where I was.

15 Q '74?

16 A I was in Bridgeport, Connecticut, in  
17 '76. I then transferred to the Providence  
18 office of Liberty Mutual as all line claims  
19 supervisor. I headed a unit of -- there was  
20 about ten total people. There was five  
21 casualty people and some support staff. And  
22 we handled the State of Rhode Island and some  
23 parts of Massachusetts for all the gamut of  
24 the casualty fields, whatever came into our  
25 territory that fell in my alphabetical split,

1 we handled.

2 Stayed there until '78. '78 to  
3 late -- middle '79, I guess, I went to Liberty  
4 Mutual's home office as a casualty adjuster.  
5 And I handled products liability cases,  
6 specifically burn cases in all 48 states and  
7 Hawaii and Alaska, plus territories that  
8 Liberty tried cases in.

9 Q And that was as a claims examiner?

10 A Casualty claims examiner.

11 Q Okay. And were those more general  
12 liability type cases or property cases?

13 A Most of those were property burn  
14 cases. I handled five states for all loss,  
15 Oklahoma, Colorado, Arkansas, Kansas --  
16 Kentucky, Iowa and Minnesota, for claims of  
17 automobile and commercial liability. No  
18 property in that gamut.

19 Q Okay.

20 A Stayed there until '70- -- late,  
21 middle '79. Then I took over an office for  
22 Liberty as a claims manager in New Bedford,  
23 Massachusetts.

24 In 1980, I earned my CPCU  
25 designation, which is a chartered property

1 casualty underwriter designation.

2 Q What did you have to do to obtain  
3 that?

4 A At that time, it was switching from  
5 five to ten courses. So I took a number of  
6 courses, at least five but less than ten  
7 because they were switching over to the amount  
8 you needed. They were yearly and six-month  
9 exams.

10 I think three -- I think I took  
11 three courses where they had one exam that  
12 covered two parts. And then later on there  
13 was four exams, maybe -- yeah, I think there  
14 was four, that were like six months. They  
15 were splitting the older topics apart. So I  
16 took an exam in January and then took another  
17 one in June. There was ten total. Ten exams  
18 worth of credit needed.

19 Q Okay.

20 A I passed -- I took that designation  
21 on. Became claims manager of the Bridgeport  
22 office. That was all line casualty claims  
23 office.

24 Q What year? I'm sorry. What year  
25 are we at now?

1           A     That is 19 -- late -- I think  
2     January 1st, 1980. I was probably there in  
3     December of '79 or something like that.

4           Q     Okay.

5           A     I stayed there until -- the office  
6     grew, but I think I had 18 -- 22 people when I  
7     got there. And there was a couple hundred  
8     when I left. We grew a lot during the nine  
9     years that I was there.

10           A     Again, it was every casualty field  
11     that could be from large fires to hurricanes,  
12     tornadoes. You name it, we had it. It hit  
13     New England, it hit my area. I handled -- I  
14     handled Cape Cod and half of -- the southern  
15     part of Massachusetts.

16           Q     Approximately, how many hurricane  
17     claims would have been involved in that?

18           A     I think we did at least four that  
19     hit my area at that time. I got a call from a  
20     man one day, and I met him in a parking lot.  
21     And that was in 1989. And he was forming an  
22     insurance company. And I left Liberty, and I  
23     went to work for a man who was forming an  
24     upstream holding company known as "Trust  
25     Group, Inc."

1 Q Can I stop you for just one second?

2 A All right.

3 Q If we could, let's go back to 1980  
4 when you say that you were working those  
5 hurricane claims in the New England area, did  
6 those involve wind versus wave determinations,  
7 causation determinations?

8 A There were some.

9 Q There were?

10 A Yeah, there were some.

11 Q There were?

12 A Yeah, there were some. Mostly --  
13 flood really started to become an issue back  
14 in the '60s. We had trouble with the  
15 definition of where -- the way the winds were  
16 coming.

17 When I worked for Liberty between  
18 '70 and up until the time I became a  
19 supervisor, I was a casualty claims adjuster  
20 with property loss. I did at least four,  
21 maybe five casualty assignments. Three of  
22 them were for tornadoes and two were for  
23 hurricanes where Liberty sent a disaster crew  
24 into an area. I went to Florida -- or stayed  
25 in Boston and managed the claim from the

1 Boston office. So those were disaster teams  
2 that I was a part of.

3 Q Okay.

4 A And there is an issue of whether or  
5 not -- coverage is always a possibility as an  
6 issue, but we never really seem to see a lot  
7 of it. We had commercial and personal claims  
8 in both of those areas.

9 Q Okay. That takes, what, to about  
10 1989?

11 A In '89, I met a man. We formed a  
12 holding company known as "Trust Group, Inc."  
13 Trust Group, Inc, it's an upstream holding  
14 company that was forming an insurance company,  
15 at least one at that time known as "Trust  
16 Insurance Company."

17 Q Uh-huh (positive response).

18 A Trust Insurance Company started off  
19 initially as an automobile company. And for  
20 the first year and a half, that's all we were.  
21 We became a full line casualty company later  
22 on. And we finished -- we were about the  
23 fifth largest in Massachusetts. I became  
24 their vice president of claims, senior vice  
25 president of the group. And I stayed with

1       them until '99.

2           Q       And you worked solely for Trust at  
3       that time?

4           A       I worked for Trust and it's  
5       entities. I started a company known as "Trust  
6       Integrity." That was a fraud operation. We  
7       were going to use computer research to find  
8       fraud for the federal government.

9                   I left claims operation pretty much  
10       in '98, working almost full time as -- I  
11       started my company of Trust Integrity within  
12       the group ladder.

13          Q       What did you do with trust and their  
14       other entities? I mean, was it along the same  
15       lines as the work you had been doing with  
16       Liberty Mutual, same type of claims guy?

17          A       No. I was the senior vice president  
18       of claims. I hired the people. I trained  
19       them. When I started, there was me. And I've  
20       conducted well over more than 100 training  
21       sessions for individuals.

22                   I hired them. I trained them. I  
23       created their positions. I created their  
24       claims procedures. I did everything you  
25       needed to do to make a company start from day

1 one. And I also was the claims authority on  
2 issues. I had the highest -- I was the claims  
3 person that had the total payment or denial  
4 authority on any issue for them for the next  
5 ten years.

6 Q Again, you said this was in  
7 Massachusetts?

8 A This was in Massachusetts, right.

9 Q Okay. And what happened with Trust  
10 Insurance Company?

11 A Trust Insurance Company went away.  
12 I left them in '99. The owner took the money  
13 really that we had surplussed and threw it  
14 into a computer system he wanted. And the  
15 commissioner of insurance didn't like that as  
16 receivable. He was counting it as a  
17 receivable, and he took all of the cash and  
18 bought a -- built a computer system under the  
19 AIG auspices. And they didn't like that as a  
20 financial move. So they became  
21 undercapitalized.

22 Q How was AIG involved?

23 A AIG became Trust Computer Company.  
24 They have lots of entities. And they designed  
25 with our people and myself the claims system



1       that actually runs AIG now.

2               The AIG claim system was a system  
3       that I designed as the senior VP of claims.  
4       Their techies turned it into dots and O's and  
5       dashes and became the AIG system which runs  
6       their organization today, so to speak.

7               Q     Okay.

8               A     Because they ended up with it as a  
9       receivable when Trust Insurance Company went  
10      kaput in 2000.

11              Q     Okay. Did you have any -- were you  
12      involved with the commissioner in any way in  
13      his discipline of that other individual you  
14      were referring to?

15              A     The owner?

16              Q     Yeah. I'm assuming that -- you said  
17      the commissioner didn't like it. I am  
18      assuming he had some type of --

19              A     He unfortunately didn't face any  
20      problems. I worked for the commissioner.  
21      When I left Trust, I lasted about -- I don't  
22      know, a little while without a position. And  
23      then she hired me to run another company that  
24      was in financial need out in Springfield.

25              Q     I'm sorry. Okay. You are talking

1 about the commissioner?

2 A I worked for the commissioner of  
3 insurance for about the next ten months for a  
4 company known as -- I've got to look.

5 Q We are still around the '99, 2000  
6 time?

7 A Yes. Oh, the company that was -- it  
8 was Ladd financial owned company known as New  
9 England Fidelity. That was around 2000. She  
10 hired me to run their claims operation and be  
11 their operations person.

12 Q Okay. So you weren't disciplined in  
13 connection with the Trust Insurance Company or  
14 it's entities by the commissioner?

15 A No. No.

16 Q Okay.

17 A There was no discipline for anyone.  
18 What Mr. Bradley did was not illegal. He just  
19 claimed it as a bad business practice. The  
20 money was still there. He took the  
21 \$38 million that we had and he created a  
22 computer system. There was no disciplinary --  
23 as much as I would have thought that was a bad  
24 move, my opinion didn't really count.

25 Q The money was gone at that point.

1           A     The money was gone and was spent.  
2     And they did have something for it that was  
3     valuable. Again, that system ended up being  
4     owned. AIG and the commissioner cut a deal  
5     for outstanding debt and the commissioner of  
6     insurance gave it to them.

7           Q     Did you ever assert any type of  
8     claim in connection with that situation?

9           A     No. I needed money to bring that  
10    up. I worked for Trust Group. I still work  
11    for them today. The upstream holding company  
12    then brought me back in supposedly to get paid  
13    some day. That was back in 2000. And  
14    basically hired me to recover any available  
15    funds from people like Mr. Bradley or anyone  
16    else.

17                   And I work for them today. I am  
18    working them through bankruptcy. And the last  
19    thing we have to do is get rid of an employee  
20    ESOP that the government is actually working  
21    on our behalf to try to get rid of.

22                   You have got the department of labor  
23    as our friends owning the ESOP, but the IRS is  
24    saying that when they set it up, they didn't  
25    do something right. So it's been held up for

1 a year. It's the last thing. I concluded  
2 their -- they had huge IRS problems. I  
3 negotiated their IRS problems down to where  
4 they should have been. And the receiver ended  
5 up paying those. That was the receiver's  
6 issue.

7 Q AIG is still involved --

8 A AIG is gone. AIG is gone. They own  
9 the computer system, and they are using it  
10 themselves. Trust is not using that system.  
11 While the company may still be operating, they  
12 are using other systems.

13 Q So that takes us up to about '99,  
14 2000. But you said -- just to go a little bit  
15 further -- that you still do work for one of  
16 those Trust entities?

17 A I work for the holding company,  
18 Trust Group, Inc.

19 Q Okay.

20 A The people that owned everything  
21 hired me to run their business. And although  
22 I never collected \$.10 from them -- and they  
23 probably have an outstanding of about  
24 \$500,000. They don't have money to pay me.

25 Q You are still working for them?

1           A     I work for them. The board of  
2     directors hired me. I report to them. It's  
3     five guys. It's now three. And I keep them  
4     out of trouble.

5           Q     Okay. What else have you been doing  
6     since '99 and 2000?

7           A     2000, I went to work for the  
8     commissioner again. And I ran Ladd Group for  
9     a year. Probably eleven months, ten months.

10          Q     What is that?

11          A     Ladd Group was an insurance  
12     company -- was an upstream holding company  
13     that owned an insurance company ready to --  
14     they had no money. So I just kept them until  
15     the insurance commissioner could find a buyer  
16     for them. That was New England Fidelity  
17     Insurance Company.

18          Q     What did they do?

19          A     They were a property casualty  
20     company in Massachusetts.

21          Q     You said ten months or so. That  
22     would roughly take us to --

23          A     About February 2001, March 2001.

24          Q     Okay. What next?

25          A     I started working for myself. I

1 became a consultant, advising insurance  
2 companies, attorneys, and whoever would want  
3 to call me.

4 I became a licensed broker to sell  
5 casualty insurance. I think that was 2003.  
6 Although I never make any money off of  
7 selling. I run people's offices once in a  
8 while for them if they want to go on vacation.  
9 You have to have a licensed broker in the  
10 office if you are going to sell business.

11 And I still have a lot of friends in  
12 the insurance industry. So I go there if they  
13 want to go play golf for two weeks in Florida,  
14 I just make my office their office.

15 Q Uh-huh (positive response).

16 A I became a public adjuster in 2004,  
17 I think, maybe it was '05, 2004, I think.

18 Q Just so we're clear, the CPCU, what  
19 state is that in?

20 A That's all states.

21 Q That's all states. What about your  
22 brokers license?

23 A Brokers license is Massachusetts.

24 Q What about the PA license?

25 A The PA license is Massachusetts.

1           Q     All right. Are you licensed in any  
2     other state as a public adjuster?

3           A     No.

4           Q     Are you licensed in any other state  
5     as a property and casualty insurance agent, a  
6     broker?

7           A     No. Just in Massachusetts.

8           Q     Okay. And do you get paid when you  
9     watch over these companies like you were  
10    referring to?

11          A     No.

12          Q     Nothing?

13          A     Nothing. I use their office. These  
14    are good friends of mine. And they have an  
15    issue. I needed an office at the time. I  
16    haven't done it in the last year or so since I  
17    got my own office in downtown Mattapoissett.  
18    It was comfortable to work in an office rather  
19    than work in my small office in my home.

20          Q     What is the name of your company?

21          A     Just me. Operating as Paul F.  
22    Amoruso.

23          Q     As far as income, you said you don't  
24    get paid when you watch over those places?

25          A     No.

1           Q     Outside of your business that we're  
2     referring to now that's in your name --

3           A     Yeah.

4           Q     -- do you have any other type of  
5     income?

6           A     I teach for the insurance library in  
7     Boston. It's the education arm of the  
8     insurance industry in Massachusetts.

9           Q     What do you teach?

10          A     All casualty courses. It's  
11     property, casualty, CPCU courses. Any  
12     casualty course -- commercial general  
13     liability policy, the brokers licensing. I  
14     teach when they have a need. I didn't teach  
15     this last semester because the insurance  
16     industry has cut down. And they are not  
17     having as many classes as they used to. And  
18     some of the instructors there make a living  
19     out of this. I only teach two courses a year,  
20     four tops, two in the spring and two in the  
21     fall.

22          Q     How much do you get paid?

23          A     It's about \$1,300 a course.

24          Q     Anything else as far as income?

25          A     My -- let's see, not working income.



1           Q     Okay. Are there any other degrees  
2     or certifications or licenses that you haven't  
3     mentioned? I'm sorry. Let's finish up to the  
4     present. Is there anything else that you have  
5     done from '99, 2000 up to the present?

6           A     That's what I have done. Working  
7     for Trust Group, I did that a lot. That might  
8     have been 20 hours a weeks up to about a year  
9     and a half ago. But, again, I wasn't paid for  
10    that. I did it because I liked it.

11           And I also taught. And I've been  
12    doing consulting work since 2000. It's the  
13    main source of my income.

14           Q     Okay. You are still owed  
15    approximately 500,000 in connection with your  
16    work for Trust or Liberty?

17           A     Well, they owe me that. I will  
18    never see a dime of it. It's not possible.  
19    They don't have any money.

20           Q     What about other degrees,  
21    certifications, or licenses that you have  
22    received --

23           A     I have none.

24           Q     -- that we haven't already  
25    discussed?

1           A     I have none.

2           Q     Have you ever been disciplined in  
3     any way by any state, federal, or local board  
4     in connection with any of your licenses or any  
5     other fashion?

6           A     No.

7           Q     Just to be clear, you're not an  
8     attorney?

9           A     No.

10          Q     You are not a licensed engineer?

11          A     No.

12          Q     You are not a construction  
13     consultant in any way?

14          A     You have to define "construction  
15     consultant."

16          Q     Well, would you consider yourself to  
17     be -- how would you define "construction  
18     consultant"?

19          A     Well, I'm quite capable of making a  
20     decision on what the appropriate way is to  
21     repair a building. So am I going to go out  
22     and bill myself as a construction consultant,  
23     no. Am I going to say that's the appropriate  
24     thing to do in terms of the insurance system,  
25     yes.

1           Q     But you would defer to an engineer  
2     in that situation?

3           A     I would listen to the engineer.

4           Q     You are not a meteorologist in any  
5     form or fashion?

6           A     No.

7           Q     Okay. What about literature or  
8     presentations that you have had? I know you  
9     have already mentioned some projects that you  
10    worked on, and I know you teach. Is there  
11    anything else that you can think of, any sorts  
12    of literature or presentation that you have  
13    generated?

14          A     No. Other than reports.

15          Q     Reports in connection with your  
16    consulting work?

17          A     Yes.

18          Q     Okay. You don't have any license in  
19    the State of Mississippi?

20          A     No.

21          Q     You have never been licensed in  
22    Mississippi in the insurance field?

23          A     No.

24          Q     Have you ever been to Mississippi  
25    before?

1 A Yes.

2 Q On approximately how many occasions?

3 A More than five.

4 Q All in connection with litigation?

5 A Pleasure once, probably five  
6 litigation issues.

7 Q You said that you have been involved  
8 with Mississippi claims in the past?

9 A Yes.

10 Q Approximately, how many?

11 A More than ten.

12 Q How much of that is in connection  
13 with Hurricane Katrina?

14 A Probably nine.

15 Q Okay. And the other one?

16 A I'm trying to think. There was a  
17 reason why I said nine. Hurricane Alex --  
18 that was the last one we had? What was the  
19 last hurricane we had? The last hurricane, I  
20 just did a consulting job for a law firm. I  
21 never created anything for it. We just talked  
22 about it.

23 Q You are not talking about Gustav?

24 A Gustav, I'm sorry.

25 Q Alex, Gustav.

1           A     It was within the last year. It was  
2     an issue regarding the homeowners policy,  
3     which they probably don't have enough money to  
4     hire me.

5           Q     You haven't generated a report?

6           A     I haven't generated a report, no.  
7     We just talked about it.

8           Q     Of those visits in connection with  
9     Hurricane Katrina, how many cases are we  
10    talking about?

11          A     Cases?

12          Q     Right. Like did you come here three  
13    times in connection with one case, or did you  
14    come here nine times all on different claims?

15          A     Probably six. Three times -- at  
16    least twice on one case -- no -- yeah,  
17    probably three times on one case, the Hard  
18    Rock. And other cases in my list or cases  
19    that don't appear in my list because I never  
20    generated a deposition or a -- I never  
21    generated a deposition or testified at trial.

22          Q     Before Hurricane Katrina, how many  
23    times approximately had you been to  
24    Mississippi?

25          A     Once.

1 Q What was that in connection with?

2 A Just to see it. Was drove down --  
3 it was a touring trip to go to Florida. We  
4 came through probably mid '80s.

5 Q Okay.

6 A I wanted to see the area. I don't  
7 remember the heat, though, that you have got  
8 here today.

9 Q It's pretty rough. It's only going  
10 to get worse too. I imagine it's quite  
11 different in Massachusetts. Probably still a  
12 little warm.

13 A It's 71 degrees where my house is  
14 right now. And there's no humidity.

15 Q That's the thing.

16 Just so I'm clear, you said you had  
17 been involved in Mississippi claims in the  
18 past. I know we just talked about Katrina.  
19 But prior to Katrina, would it be fair to say  
20 that the work that -- when you were referring  
21 to the work that you did in the '70s regarding  
22 products liability or -- I don't know if you  
23 said --

24 A I did work on a number of  
25 Mississippi cases on issues involving

1 litigation --

2 Q Uh-huh (positive response).

3 A -- between '78 and -- '78 and '79.  
4 Probably more than ten, less than 20.

5 Q And those were the ones that you  
6 were referring to as general liability type  
7 cases?

8 A They were issues involving general  
9 liability, some property damage. Usually had  
10 something to do with things burning.

11 Q Any to do with hurricanes?  
12 Causation determinations in connection with  
13 hurricanes?

14 A No. No.

15 Q Just so we're clear, approximately  
16 how many claims have you adjusted in  
17 connection with the first-party insurance  
18 claims in the State of Mississippi?

19 A I have not adjusted any.

20 Q Okay. I know that you have some  
21 information that's provided for on the web?

22 A Poorly. But it's there.

23 Q Well, I have a list --

24 A I'm sure you do.

25 Q -- under the topic that says

1 "Services." And it shows your areas of  
2 expertise?

3 A Uh-huh (positive response).

4 Q I would like you to take a look at  
5 this and confirm that you believe these are  
6 your areas of expertise.

7 A (Views document.) Yeah.

8 Q Seems about right?

9 A Yes.

10 Q Is there anything else that you can  
11 think of beyond that list?

12 A Oh, yes, I get involved in a lot of  
13 things.

14 Q Well, let's go through some of those  
15 things. And why don't you let me throw out  
16 some stuff first, and then if we miss  
17 anything --

18 A Uh-huh (positive response).

19 Q This may be in connection with other  
20 advertisements you have or just areas that you  
21 believe you are qualified.

22 A Well, this probably wouldn't be  
23 advertisements or things that I get involved  
24 with. I get calls in just about any issue  
25 involving property/casualty insurance.



1 Sometimes it's an opinion. Sometimes it's a  
2 consultation. Sometimes it's not related to  
3 property/casualty, but more in my business  
4 sense administratively -- personnel issues.  
5 I've done a lot of different things for  
6 different people in different parts of the  
7 country.

8 Q Okay. What about business  
9 expertise?

10 A I don't know what you mean by  
11 "business expertise."

12 Q That's a term that I came across,  
13 and I was hoping you could define that for me  
14 and let me know whether you think that that is  
15 something you are qualified to --

16 A If it relates to property/casualty  
17 insurance, and it's a term -- and you are  
18 using it in terms of insurance --

19 Q Yes.

20 A -- nomenclature. Most issues in  
21 business relating to insurance I would feel  
22 comfortable in discussing. Some less than  
23 others, but some more than others, then I  
24 would qualify myself as an expert.

25 Q What about business interruption?

1 A Yes.

2 Q Do you always testify about damages?

3 A Do I always testify about damages?

4 Q Yeah. Is it all in connection with  
5 forensic work postcasualty stuff now?

6 A Accountants will do most of the  
7 forensic accounting work. I look at it from  
8 the claims standpoint as to how it relates to  
9 the insurance policy and whether or not you  
10 can prove what you have got doesn't make  
11 sense.

12 Q Okay. Workers' compensation?

13 A Yes. A lot of that.

14 Q Of course, property claims?

15 A Property claims.

16 Q What about document examiner?

17 A That -- you are in an advertising  
18 website. We have gone through this before  
19 with someone. Actually a Mississippi attorney  
20 too. Document examiner, no. I back away from  
21 that.

22 Q Okay.

23 A If it relates to a property/casualty  
24 liability policy or some document, I'd  
25 probably look at it. But I don't know if I

1 would classify myself as an expert. I am  
2 pretty good on history. I know what that  
3 phrase usually means, and I'm not going to go  
4 out as document expert.

5 Q What about due diligence?

6 A Yeah. I've done five due  
7 diligences. I bought three operations. So I  
8 could due diligence a company for -- in the  
9 insurance field.

10 Q Ethics?

11 A I teach ethics as part of my course.

12 Q Okay. What exactly do you teach in  
13 connection with ethics?

14 A That's the CPCU ethics course.

15 Q Okay.

16 A As to what the proper relationship  
17 is in peoples dealings with their customers.  
18 Ethics is a very simple term. Give the person  
19 what they are supposed to have.

20 Q Does it have anything to do with  
21 litigation since your business is involved in  
22 litigation?

23 A Well, I can only discuss areas that  
24 I have had exposure to. And what would the  
25 proper person do under the same set of

1 circumstances or what should they have done, I  
2 will voice an opinion on that based on what  
3 happened.

4 MR. SWAIM:

5 Before we get ahead of ourselves,  
6 Pat, I would like to go ahead and attach these  
7 website documents as Exhibit No. 2. You might  
8 want to flip through it. I think there's more  
9 than area of expertise. It's just a straight  
10 printout of what popped up when I put your  
11 name in.

12 A Summer project to create a new one.  
13 I did that a long time ago. That's what I  
14 need to do.

15 BY MR. SWAIM:

16 Q I guess you could do it yourself?

17 A I did.

18 Q You did.

19 A I did that myself. That's why it  
20 looks the way it does. It could be a lot  
21 better the way these people design things  
22 today.

23 MR. SWAIM:

24 Looks okay. We'll go ahead and  
25 attach these as Exhibit No. 2.

1 (Exhibit No. 2 is marked.)

2 BY MR. SWAIM:

3 Q What about evidence?

4 A Depends.

5 Q On what?

6 A On what the evidence is. Relating  
7 to insurance operation? That advertisement  
8 you are looking at was created by an insurance  
9 advertising company. They pretty much put  
10 down what they want. I have gone through this  
11 a couple of times with them, but they just  
12 don't take it out.

13 If evidence relating to insurance  
14 claims was an issue, I would look at it, and I  
15 would either voice an opinion or back away.  
16 It depends.

17 Q But what does that mean? Are we  
18 talking about underwriting files or insurance  
19 policies or --

20 A All of that.

21 Q What are we talking about?

22 A All of that. That's evidence as to  
23 what people can submit as evidence in a claim  
24 file or evidence that they don't -- that's not  
25 appropriate, that would not be usually used in

1 an insurance procedure.

2 Q Okay. Would that include courtroom  
3 exhibits?

4 A Too specific. I leave that to the  
5 judges and lawyers to decide courtroom  
6 exhibits.

7 Q Of course, you already mentioned  
8 fires?

9 A Fire, yeah.

10 Q And that's causes and origin?

11 A I'm not a cause and origin expert,  
12 although I have been able to define what cause  
13 and origin relates to from prospected  
14 purported expert's reports.

15 Q Okay. Flammable materials?

16 A That, I would qualify myself as an  
17 expert on. I've done a lot of that.

18 Q Are these categories that I'm  
19 referring to now outside of specific, say,  
20 property claims related to a license or  
21 something to that effect? Is it all just  
22 based on your work history and experience?

23 A That's what they got it from when  
24 they interviewed me.

25 Q Okay.

1           A     So it fit into their program. It's  
2     not something I advertise I personally want to  
3     do. But whatever their website is -- I forgot  
4     which one it is, they created this document.

5                 We spent an hour and a half one day  
6     in a deposition.

7           Q     Did you really?

8           A     Yeah.

9           Q     We're not going to spend an hour and  
10    a half on it, although Pat was thinking I was,  
11    we are not.

12                What about fraud related to the  
13    insurance agency?

14           A     Fraud, I would definitely consider  
15    myself as someone who has enough expertise to  
16    qualify as an expert. I created five  
17    different fraud units. I found a lot of bad  
18    guys.

19           Q     What about industry standards in the  
20    insurance fields?

21           A     I believe I'm qualified enough to  
22    look at all of the industry standards and know  
23    what they are and what they are not.

24           Q     So you are not just referring to  
25    just Massachusetts; you are referring to all

1 states across the board?

2 A When I teach, I teach all states  
3 across the board. Commercial general  
4 liability policy, I teach. Some of the agents  
5 that I teach come -- or some of the casualty  
6 people and underwriters don't just necessarily  
7 work in Massachusetts.

8 Q Okay. Have you taught any from  
9 Mississippi?

10 A I doubt it.

11 Q Okay. Then, of course, just  
12 insurance in general, insurance claims,  
13 coverage, operations, you would consider  
14 yourself to be an expert in all of that?

15 A Yes, sir.

16 Q Bad faith?

17 A I have done more than 20 bad faith  
18 cases in multiple jurisdictions.

19 Q Okay. Is that the -- primarily what  
20 you do in your consulting business today?

21 A Actually, no. What my primary  
22 role -- bad faith is there. I do a lot of bad  
23 faith work, but the majority of my income  
24 comes from insurance companies hiring me to  
25 define if they have done the right thing.



1 Q Okay. In connection with bad faith?

2 A In conjunction with the consulting  
3 or an expert testimony view. They get sued.  
4 I get hired by -- most of my money comes  
5 from -- I would say 70 percent comes from  
6 insurance companies.

7 Q Okay. But isn't that pretty much  
8 the same thing? They are asking you to  
9 determine if they did the right thing,  
10 meaning, whether they handled the claim in  
11 good faith or bad faith?

12 A No. A lot of issues are just bad  
13 faith. It's just straight claims handling.

14 Q Okay. So they are looking for you  
15 to give them advice so they can make a  
16 recommendation?

17 A Or testify that the claim was  
18 handled correctly.

19 Q Okay.

20 A And the payments made were correctly  
21 made.

22 Q Could you give me, to the best of  
23 your recollection, some of the insurance  
24 companies that you are referring to that hire  
25 you to do this work? And correct me if I'm

1       wrong. You said that was 70 percent?

2           A       Income.

3           Q       Income?

4           A       I have a set fee just because it's  
5       worked out that way: 60 percent of my claims  
6       count comes from insureds; 35 percent of my  
7       claims count is insurance companies that have  
8       hired me. There's about 5 percent straight  
9       tort work, where they have asked me to look  
10      at -- either for an insurance company or  
11      against an insurance company on straight tort  
12      issue, not a contract issue, not claims  
13      handling. But was the claim priced right; did  
14      everybody do what they needed to do; did the  
15      insurance company do what they were supposed  
16      to do; or did the opposition do what they  
17      should have done.

18          Q       So more of your work is on behalf of  
19      the insured rather than the insurer, but the  
20      insurer pays you more money?

21          A       The insurer because their problems  
22      are much more complicated. Last year  
23      75 percent came from one case. The insurance  
24      company was Lloyds and it was like 475  
25      workers' comp cases I had to evaluate and